A24001

The Aluminum Situation

ECONOMICS AND STATISTICS — AUGUST 1991

INDUSTRY NET SHIPMENTS DOWN 4.8 PERCENT

Preliminary figures for the first six months of 1991 indicate that total industry net shipments totaling 7,688 million pounds, decreased 4.8 percent from the six months 1990 total of 8,074 million pounds. Domestic shipments, totaling 6,232 million pounds, decreased 7.6 percent from the 1990 total of 6,747 million pounds.

U.S. exports of aluminum ingot and mill products totaled 1,456 million pounds during six months of 1991, increasing 9.7 percent from the six months 1990 total of 1,121 million pounds. During the same period, U.S. imports totaling 1,502 million pounds, decreased 9.6 percent from the six months 1990 total of 1,661 million pounds.

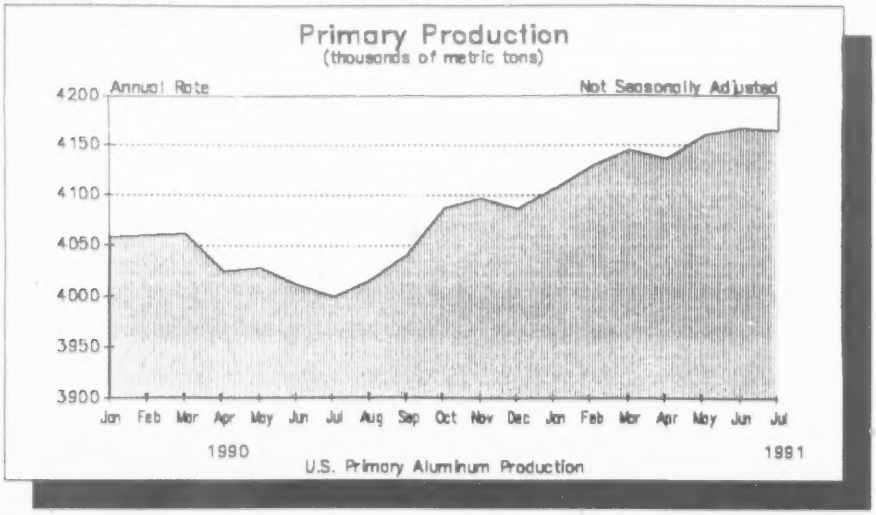
THRU JUNE 1991

	1991 6 Mos.	1990 6 Mos.	% Change
Mill Products	6,214	6,649	-6.5
Ingot	1,474	1,425	3.4
Total	7,688	8,074	-4.8
Less Exports	1,456	1,327	9.7
Domestic Total	6,232	6,747	-7.6

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

JULY PRODUCTION AVERAGES 11,410 METRIC TONS PER DAY

U.S. primary aluminum production averaged 11,410 metric tons daily during July 1991. This compares with an average of 10,962 metric tons a day in July 1990 and 11,419 metric tons a day in June 1991. The annual rate of production in July 1991 was 4,164,768 metric tons compared with 4,000,977 metric tons in July 1990 and 4,167,947 metric tons in June 1991. Production in July 1991 totaled 353,720 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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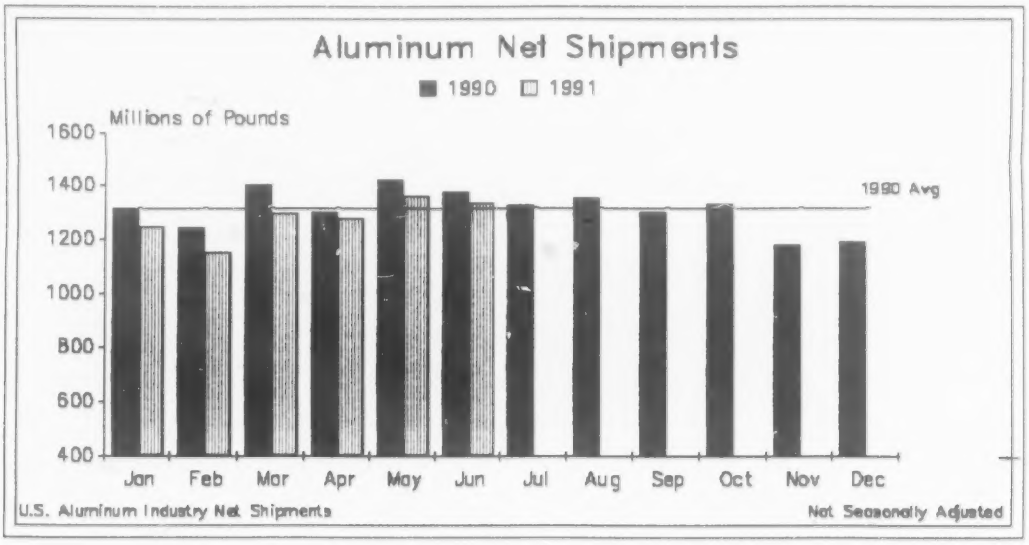
JUNE SHIPMENTS REPORTED AT 1,338 MILLION POUNDS

According to Bureau of the Census reports, June industry net shipments totaling 1,338 million pounds, decreased 2.0 percent from the previous month's revised total of 1,365 million pounds. Compared to the previous year, reported year-to-date industry net shipments of 7,688 million pounds, declined 4.8 percent from the 1990 total of 8,074 million pounds. During the first six months, Census reported that producer shipments of aluminum rod, bar and wire, totaling 122 million pounds, have declined 17.3 percent from the previous year and shipments of sheet, plate and foil totaling 4,130 million pounds decreased 2.2 percent. Shipments of extruded shapes and tube, totaling 1,131 million pounds, declined 15.6 percent.

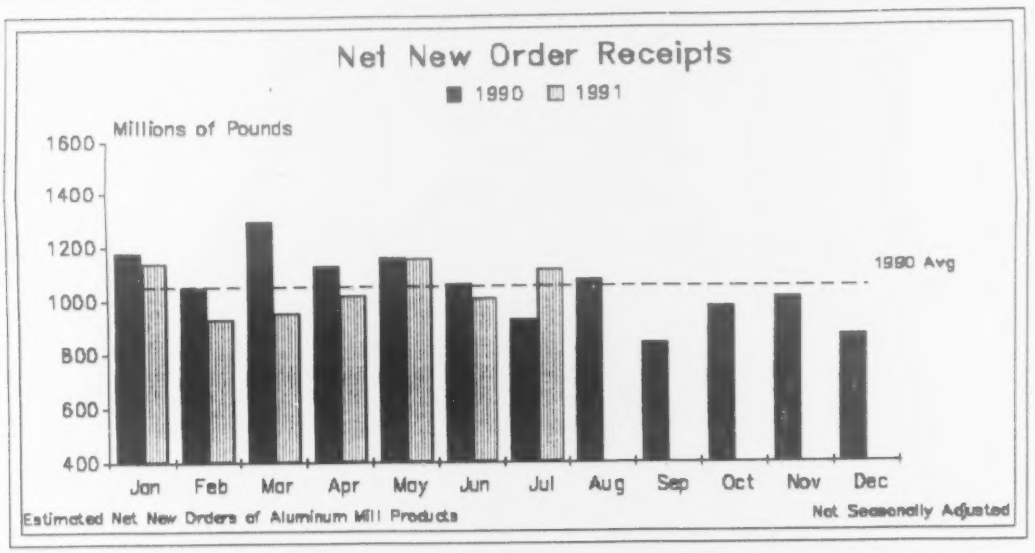


NET SHIPMENTS (Millions of Pounds)	1991 June	1990 June	1991 6 Mos.	1990 6 Mos.	% Change 1991 vs 1990
Sheet	624.8	634.7	3,576.5	3,635.9	-1.6
Plate	20.9	24.5	138.3	143.5	-3.6
Foil	70.1	73.2	414.9	442.8	-6.3
Rod,Bar & Wire	19.1	30.1	121.6	147.1	-17.3
Elec. Conductor	47.3	49.5	292.2	287.0	1.8
Extruded Shapes,Tube	202.3	230.7	1,131.3	1,340.0	-15.6
Powder & Paste	7.4	8.7	47.8	48.1	-0.5
Forgings & Impacts	12.4	13.3	75.3	79.5	-5.3
Imports of Mill Products (Total) (a)	68.3	80.2	415.8	525.3	-20.8
Total Mill Products	1,072.5	1,144.8	6,213.7	6,649.1	-6.5
Ingot	265.1	234.2	1,473.9	1,425.0	3.4
TOTAL INDUSTRY SHIPMENTS	1,337.7	1,379.0	7,687.6	8,074.0	-4.8
Exports	279.9	205.6	1,455.6	1,326.7	9.7
TOTAL DOMESTIC SHIPMENTS	1,057.8	1,173.4	6,232.0	6,747.4	-7.6

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cumulative data includes revisions for previous periods
(a) Not included in product data above.

JULY ORDERS ESTIMATED AT 1,116 MILLION POUNDS

Estimated net new order receipts of aluminum mill products for July 1991 totaled 1,116 million pounds, a increase of 10.5 percent from the revised June total of 1,010 million pounds. Year-to-Date, industry order receipts were estimated at 7,335 million pounds, down 6.2 percent from the 1990 total of 7,818 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1991 July	1990 July	1991 7 Mos.	1990 7 Mos.	% Change 1991 vs 1990
Sheet & Plate, Other	349.5	291.2	2,260.8	2,599.3	-13.0
Can Stock (a)	399.1	257.4	2,587.7	2,393.1	8.1
Foil	79.0	85.0	516.5	626.3	-17.5
Bar, Rod & Wire	36.4	41.6	263.2	323.1	-18.5
Electrical Conductor	56.3	41.8	351.3	309.0	13.7
Extruded Shapes & Tube	176.0	192.4	1,213.6	1,411.5	-14.0
Powder & Paste	8.2	7.8	68.4	75.9	-9.9
Forgings & Impacts	11.3	13.1	73.7	79.6	-7.4
Total Mill Products	1,115.8	930.3	7,335.2	7,817.8	-6.2

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cumulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES FALL 148 MILLION POUNDS

Reported producer inventories continued to decline in June, dropping to a reported total of 4,031 million pounds. This represents a 148 million pound decline from the revised May level of 4,179 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
April	4,196	1,536	580	2,080
May	4,179r	1,603	574r	2,002r
June	4,031	1,565	508	1,958

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 32.8 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of June 30, 1991 was 32.8, a increase of 8.3 percent over inventories reported at the end of May.

Month-End Aluminum Customer Inventories
(Average Number of Days)

April	34.6
May	30.3
June	32.8

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1991 June	1990 June	1991* 6 Mos.	1990 6 Mos.	% Change 1991 vs 1990
Imports	Mill Products	68.3	80.5	415.8	527.7	-21.2
	Ingot	167.5	207.8	1,086.3	1,133.3	-4.2
	Total	235.9	288.3	1,502.1	1,661.0	-9.6
	Scrap (+ dross)	48.0	49.7	230.8	317.9	-27.4
	Grand Total	283.9	338.0	1,732.9	1,978.9	-12.4
Exports	Mill Products	122.2	98.3	629.5	550.0	14.5
	Ingot	157.7	107.3	826.1	776.7	6.4
	Total	279.9	205.6	1,455.6	1,326.7	9.7
	Scrap	84.1	69.8	652.8	554.7	17.7
	Grand Total	364.0	275.4	2,108.4	1,881.4	12.1
Net Imports		-80.1	62.6	-375.6	97.6	-484.9

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Cummulative data may include revisions for previous periods